



## 2021 Tax Budget Memo

For consideration this evening, I present the 2021 Tax Budget for the Village of Golf Manor. This budget attempts to accomplish several goals; including estimate carryover balances for each Village fund to begin Village fiscal year 2021, estimate revenues to be received by the Village in 2021, and efficiently allocate carryover balances and revenues in order to set appropriation levels for each Village fund that accomplish Village priorities and goals for the year 2021.

### 1. Carryover Balances (Reserve)

#### a. General Fund: \$581,264.39

- i. It is the goal of Village Administration to grow the General Fund carryover balance or reserve to \$1 million. This figure represents approximately 6 months of resources to be held in reserve based upon annual Village appropriation levels. If achieved this goal is in alignment with public administration best practices. To begin FY2021 Village Administration estimates General Fund carryover to be \$581,264.39. This figure is nearly \$300,000 more than what the Village had in reserve to begin FY2018. However, the FY2021 figure represents a 2% decrease from the carryover balance to begin FY 2020. This decrease is the result of reductions in estimated revenues for FY2020 as a result of the impact of covid-19.
- ii. Carryover balances are calculated by combining the previous year's carryover balance and current year revenue estimates, and subtracting current year expenses. When performed Village Administration estimates the General Fund to end FY2021 with a carryover balance of \$582,128.16.

#### b. Police Levy: \$68,943.86

- i. End of FY2021: \$70,214.32

#### c. Street Levy: \$900,362.97

- i. End of FY2021: \$915,014.97
- ii.

### 2. Revenues

#### a. General Fund: \$1,929,834.00

- i. Village Administration estimates FY2021 General Fund revenues to be \$1,929,834.00. The two largest sources of Village General Fund revenues are Real Estate Property Taxes and Municipal Income Taxes. For FY2021 the Village Administration forecasts Real Estate Property Tax receipts in the amount of \$633,596. This figure is 6% more than what the Village currently estimates to receive in FY2020 General Fund Real



Estate Property Taxes. Village Municipal Income Tax receipts remain flat in FY2021 at \$715,000.

- b. Police Levy: \$232,890.00
- c. Street Levy: \$314,652.00

### 3. Appropriations

- a. General Fund: \$1,928,970.23
  - i. For FY2021, Village General Fund appropriations are set to increase by \$33,237.57. The increase in General Fund appropriations are the result of increased personnel expenses in the Village's largest Department, the Village Police Department, as well as an increase in Capital Outlay expenditures in the amount of \$15,000. Despite this increase, the Village's General Fund Tax Budget remains balanced.
- b. Police Levy: \$231,619.54
- c. Street Levy: \$300,000.00

### 4. Considerations

- a. The FY2021 Tax Budget was based on the following assumptions:
  - i. For FY2020 the Village will not be required to tap further into the Village's carryover balance. The impact of Covid-19 has had a detrimental impact on Village resources. Nearly every entity in Ohio has had to make adjustments to revenue forecasts and appropriations including Golf Manor. In doing so this has required deficit spending from the carryover. Village Administration continues to monitor Village resources and regularly check in with our partner agencies. Both FY2020 and FY2021 budgets are based upon forecasts and feedback from our partners such as the Regional Income Tax Authority. Village Administration is prepared to make further adjustments as necessary.
  - ii. Staffing levels for the Village will remain constant.
  - iii. Core services and service levels provided by the Village will remain constant
  - iv. Eligible staff will receive up to a 3% pay increase.
  - v. Health Insurance increases in the amount of 10%.
- b. Municipal Income Tax
  - i. For FY2019 the Village generated \$784,383.84 in Municipal Income Tax. Because FY2019 was the first full year the Village partnered with RITA, FY2020 revenue was estimated conservatively in the amount of \$715,000.00. Village Administration will continue to conservatively estimate Municipal Income Tax receipts in FY2021. RITA has communicated to the Village that had Covid-19 not occurred, it would be reasonable for the Village to have received Municipal Income Tax receipts in the amount similar to the FY2019 level for FY2020. Should the local economy rebound for the remainder of FY2020 and into FY2021 this revenue source could be expected to exceed forecasts.



## Definitions

**Tax Budget:** A financial plan that details the government's projected revenues and expenditures for a defined period of time.

**Carryover Balance (Reserve):** A carryover is the unspent or unobligated balance of funds from prior budget periods.

**General Fund:** The primary fund used by a government entity. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of the government entity.

**Levy:** The total amount of funds a local unit of government may collect on a tax rate associated with real estate property values. In the Village of Golf Manor, the Village has several real estate property tax levies including the Police Levy and the Street Levy.

**Revenues:** An entity's annual income from which public expenses are met. The Village of Golf Manor generates revenue from property, income, charges and fees, and transfers from federal and state governments.

**Appropriations:** The legal spending level authorized by a budget ordinance or resolution.

Date: 7/13/2020

Submitted by Andy Lanser, Fiscal Officer

